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August 16, 2007

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OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston C Zone; Hosston Formation, Reservoir A;
and Cotton Valley Formation, Reservoir B;
DANVILLE FIELD, Bienville Parish, Louisiana.

Dear Sir:

CHESAPEAKE OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston C Zone; the Hosston Formation, Reservoir A; and the Cotton Valley Formation, Reservoir B; all in the Danville Field, Bienville Parish, Louisiana:

Hosston C Zone

1. To dissolve the unit shown on an attached plat and designated HOSS C SUD, created for the Hosston C Zone by Office of Conservation Order No. 729-B, effective December 1, 1968.

The Hosston C Zone, in the Danville Field, Bienville Parish, Louisiana, was initially defined in Office of Conservation Order No. 729-B, effective December 1, 1968, and was redefined in Supplement to Order No. 729-B, effective April 1, 1972.

Hosston Formation, Reservoir A; and Cotton Valley Formation, Reservoir B

1. To establish rules and regulations governing the exploration for and production of gas and condensate from each of these formations and reservoirs.

2. To create a single drilling and production unit for the exploration for and production of gas and condensate from each of these formations and reservoirs, such units being shown on attached plats and being designated HOSS RA SUA and CV RB SUA.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.

4. To designate an operator of, and unit wells for, the proposed units as may be appropriate.

5. To propose that future wells drilled to these formations and reservoirs within or outside of the units proposed herein be located in accordance with the spacing provisions of Statewide Order No. 29-E.

6. To permit applicant to combine downhole production from HOSS RA SUA and CV RB SUA, in any well drilled on these proposed identical units in which the ownership interests of the parties are identical in each unit.

7. To define the Hosston Formation, Reservoir A, as the stratigraphic equivalent of that interval encountered between the measured depths of 7,790 feet and 10,670 feet in the Bodcaw-Franks-Texaco--Harper Unit No. 1 Well, located in Section 24, Township 14 North, Range 6 West, Bienville Parish, Louisiana.

8. To consider such other matters as may be pertinent to any of these sands and formations.

The Cotton Valley Formation in Danville Field, Bienville Parish, Louisiana, was defined in Office of Conservation Order No. 729-E, effective September 1, 1974.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated August 3, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set August 30, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

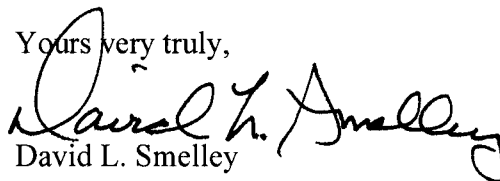
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Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be dissolved and created (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Danville Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,



David L. Smelley

--- Attorney for Chesapeake Operating, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Les Rodman (w/encls.)
Ms. Denise Cramer (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

